



Future
Governance
Forum

Support for the Future: Making a Devolved Employment Support System Work

AKG Partnership Portal
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Introducing The Future Governance Forum

We are a new progressive, non-partisan think tank looking less at the **what** of policy development, and more at the **how** of policy implementation.

Our mission is to shape a **new, sustainable and progressive governing model** for the UK that delivers for everyone.

We have three priority workstreams:

- **Mission Critical** - exploring and promoting missions as a theory and practice of government
- **Impactful Devolution** - looking at how government can permanently devolve power to regional and local levels
- **Rebuilding the Nation** - exploring innovative models of public and private investment to deliver policy objectives

About the research

- Research conducted **in partnership with AKG**, interested to support a think piece on Labour's policy to devolve commissioning of employment support programmes
- Key line of enquiry was to explore the **pitfalls and opportunities** of devolving commissioning arrangements
- Much wider examinations published recently through the Institute for Employment Studies and Barnsley Council but reflect **much less detail on the practical implications of devolving commissioning** arrangements
- Methodology was a **combination of literature review and interviews with professionals** across local government, central government, NHS, employment support providers and policy organisations

Main findings from our report

Support for the Future recommends:

1. **Devolving employment support** to the MC(C)A level
2. **Granting greater funds and resource** to regional government
3. **Establishing local Labour Market Partnerships** featuring local providers, key stakeholders and representatives from across layers of government*
4. **Renewed DWP commissioning guidelines and oversight**, aimed at driving up standards
5. **A commitment to integrating services**, with a focus on moving the economically inactive into work

* As called for in Tony Wilson's *Commission on the Future of Employment Support* [Institute for Employment Studies].



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Context: UK as an outlier with employment and inactivity rates which have not reverted back to pre-pandemic levels

- Disability is a major factor with long term sickness reported by most disabled people outside the labour market as the key issue
- Mental health issues have increased and are keeping particularly young people out of work
- Those considered 'inactive' have little access to support

What the new Government has signalled (1)

- Secretary of State for Work and Pensions has said *“local leaders will be ... empowered to tackle economic inactivity, alongside a new Labour Market Advisory Board to help drive change and get Britain working again.”*
- Autumn Budget Statement committed to:
 - 8 trailblazer areas will integrate health, employment and skills
 - 8 youth guarantee trailblazer areas in partnership with local areas
 - Integrated settlements for West Midlands and Greater Manchester for 2025-6
 - North East, South Yorkshire and West Yorkshire Mayoral Combined Authorities and Liverpool City Region Combined Authority eligible for integrated settlements from 2026-27. An integrated settlement for London to be further explored with the Greater London Authority

What the new Government has signalled (2)

- Autumn Budget Statement stated that the Get Britain Working White Paper will expect health, education and welfare systems to come together through £240mn for projects to explore what works to get 'economically inactive' and 'NEET' citizens into work
- Autumn Budget Statement also committed to:
 - £2.7bn to reduce health related inactivity
 - £800mn for disability-related employment support
 - £115mn for Connect to Work scheme to support disabled people into work in 2025-6
- Skills England to consult on a more flexible skills levy to allow for shorter apprenticeships in key areas, developed in partnership with employers, providers and learners
- Focus on increasing number of women in the labour market, e.g. £1.8bn additional funding for childcare

What we heard from stakeholders and experts

- Local ecosystems, including third sector and non-profit organisations are not utilised enough in non-devolved provision
- Services are too siloed and jobseekers expected to navigate a complicated landscape with minimal support
- Employers are not sufficiently engaged in the process of tailoring skills pathways for local economies
- Impact of conditionality leaves many considered 'inactive' with no access to support
- Lack of data and information sharing - both in terms of programme performance and on what works

Potential power of devolution

- Combined and local authorities best understand the nuances of their place
- Strong connections with partners, stakeholders and local and community providers result in greater inclusion of local delivery partners
- Potential for a stronger partnership (e.g. through a Local Labour Market Partnership), led by combined authorities, to bring stakeholders to the table to increase integration with health in particular and improve strategy
- Important caution of proper resourcing for combined and local authorities for any new responsibilities to commission employment support programmes

Our recommendations: How to make a devolved system work

1. Devolution to combined authority level as a general principle
2. Local Labour Market Partnerships as a vehicle for strategy and programme design
3. Localising delivery by drawing on a broader range of relationships (including areas where employment support is not devolved)
4. Commitment to integration - importance of bringing services together wherever possible given the connections between health, employment and housing in particular
5. DWP, combined and local authorities to collaborate on developing commissioning guidance
6. A new role for the DWP focused on outcomes, programme performance and what works

Following publication

- Report launched in Parliament on 16 October at a Roundtable discussion, chaired by Darra Singh, former Chief Executive of JobCentre Plus
- New Chair of the Work and Pensions Select Committee, Debbie Abrahams MP has requested a meeting in January to discuss the findings

Any questions...?